

Colorado State Housing Board Policy

January 8, 2008

Project Affordability Period

The Colorado State Housing Board and Division of Housing believe the starting point for project affordability is “perpetuity.” As stated in the Colorado Revised Statutes, Section 24-32-702(4) (a): “Publicly-assisted rental housing that is affordable to low- and moderate-income persons should be preserved...”

Whereas:

The Colorado Division of Housing provides two types of funding for the development of affordable housing, grants and loans. Projects that receive DOH grant funding must be affordable, preferably in perpetuity. Projects that receive DOH loan financing can be affordable less than perpetuity but no shorter than the loan term. Special situations can be considered on a case-by-case basis and waivers can be issued by DOH at its discretion.

New Construction

- The minimum affordability term for new construction will be 30 years.
- The maximum affordability term will be in perpetuity.
- The affordability term may be set in conjunction with the project’s permanent funding at the discretion of DOH.

Acquisition/Rehabilitation

- The minimum affordability requirement for acquisition/rehabilitation will be 30 years.
- The maximum affordability term will be in perpetuity.
- The affordability term may be set in conjunction with the project’s permanent funding at the discretion of DOH.

Single Family Owner Occupied Rehab Assistance

- The property owner must qualify by income to receive the loaned funds.
- Affordability requirements will not apply to this program because this funding comes in the form of a loan to the property owner.

Down Payment Assistance

- The affordability requirements will not apply to this program if the funding comes in the form of a loan to the property owner.
- A property owner must qualify by income to receive the loaned funds.

If the down payment assistance is provided in the form of a grant:

- The property must be permanently deed restricted and must be tied back to the contract in which the funds were received.
- If the properties are resold at market rate, then DOH’s initial investment is due on the sale of the property.
- A property owner must qualify by income to receive grant funds.